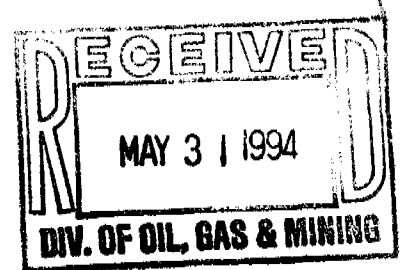




MT NEBO SCIENTIFIC, INC.

research & consulting

May 26, 1994



Daron Haddock, Permit Supervisor
STATE OF UTAH, Department of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

*ACT/007/012 #7
Route to Henry/Springfile*

RE: MONTHLY FINES REPORTS AT WELLINGTON

Dear Mr. Haddock:

Please find enclosed the "Monthly Reports for the Wellington Fines Removal Study" for CASTLE VALLEY RESOURCES.

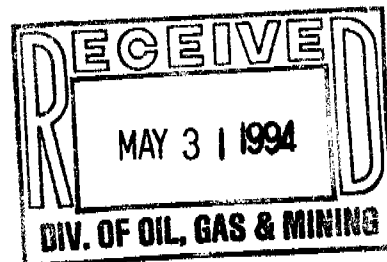
Sincerely,

Patrick D. Collins, Ph.D.
Environmental Consultant

Enclosure

cc: R.J. Marshall

**MONTHLY REPORT
FOR THE
WELLINGTON FINES REMOVAL STUDY**



to

**STATE OF UTAH
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180**

for

**NEVADA ELECTRIC INVESTMENT COMPANY
2835 South Jones Blvd.
Las Vegas, Nevada 89102**

by

**MT. NEBO SCIENTIFIC
P.O. Box 337
Springville, Utah 84663**

May 13, 1994



**MONTHLY REPORT
FOR THE
WELLINGTON FINES REMOVAL STUDY**

Current Month - April 1994
Subsequent Month - May 1994

INTRODUCTION

As outlined in previous monthly reports, CASTLE VALLEY RESOURCES (NEICO) was granted authorization by the State of Utah, Division of Oil, Gas & Mining (DOGM) to conduct a pilot study to remove coal slurry fines from the pond areas at the Wellington site. Prior to DOGM approval (August 23, 1991), an application was submitted as an permit amendment (April 25, 1991) and deficiencies subsequently addressed (July 15, 1991). Refer to Appendix M of the MRP for these documents.

Primary purpose of the pilot study is to compare methodologies and costs for fines removal for reclamation and/or marketability.

Monthly Reports

With the authorization from DOGM, CASTLE VALLEY RESOURCES (NEICO) agreed to comply with several environmental and engineering provisions previously outlined in the submittal dated July 15, 1991. One of the stipulations was to present monthly

reports to DOGM summarizing the past month's activities, plus an outline of activities planned for the following month. This report will attempt to comply with these provisions.

CURRENT MONTH ACTIVITIES (April 1994)

The activities for the month of April will virtually be the same as the previous months. CASTLE VALLEY RESOURCES (NEICO) is continuing to collaborate with engineering firms in feasibility studies for the future of the slurry fines. Progress has been made in this process and feasibility will continue to be explored.

As before, work will be conducted to pursue the possibility of using the pond area for future water storage for an industrial park.

SUBSEQUENT MONTH ACTIVITIES (May 1994)

Work will continue in May to explore the possibility of using the fines or selling them to potential customers. No significant changes in the plans are anticipated.

Work will also be conducted to pursue the possibility of using the pond area for future water storage for an industrial park and/or irrigation.

**MONTHLY REPORT
FOR THE
WELLINGTON FINES REMOVAL STUDY**

to

STATE OF UTAH
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

for

CASTLE VALLEY RESOURCES
P.O. Box 1282
Huntington, Utah 84528

by

MT. NEBO SCIENTIFIC
P.O. Box 337
Springville, Utah 84663



April 15, 1994

**MONTHLY REPORT
FOR THE
WELLINGTON FINES REMOVAL STUDY**

Current Month - March 1994
Subsequent Month - April 1994

INTRODUCTION

As outlined in previous monthly reports, CASTLE VALLEY RESOURCES was granted authorization by the State of Utah, Division of Oil, Gas & Mining (DOGM) to conduct a pilot study to remove coal slurry fines from the pond areas at the Wellington site. Prior to DOGM approval (August 23, 1991), an application was submitted as an permit amendment (April 25, 1991) and deficiencies subsequently addressed (July 15, 1991). Refer to Appendix M of the MRP for these documents.

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Monthly Reports

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DOGM summarizing the past month's activities, plus an outline of activities planned for the following month. This report will attempt to comply with these provisions.

CURRENT MONTH ACTIVITIES (March 1994)

The activities for the month of March will virtually be the same as the previous months. CASTLE VALLEY RESOURCES is continuing to collaborate with engineering firms in feasibility studies for the future of the slurry fines. Progress has been made in this process and feasibility will continue to be explored.

As before, work will be conducted to pursue the possibility of using the pond area for future water storage for an industrial park.

SUBSEQUENT MONTH ACTIVITIES (April 1994)

Work will continue in April to explore the possibility of using the fines or selling them to potential customers. No significant changes in the plans are anticipated.

Work will also be conducted to pursue the possibility of using the pond area for future water storage for an industrial park and/or irrigation.